



MBE/DBE/ACDBE/SBE Certification Overview

One Certification Agency:

The Maryland Department of Transportation (MDOT) is the official certification agency for the State

Two Areas of Contracting Opportunities:

1. Contracts awarded by any Maryland agency and most counties, cities, and municipalities
2. Federal projects with whole or partial funding by the U.S. Department of Transportation (USDOT)

Four Types of Certification:

1. **Minority Business Enterprise (MBE)**
State funded contracts
2. **Disadvantaged Business Enterprise (DBE)**
USDOT funded projects administered by the MDOT State Highway Administration (MDOT SHA), MDOT Maryland Transit Administration (MDOT MTA), MDOT Maryland Aviation Administration (MDOT MAA), and Metropolitan Planning Organizations (MPOs)
3. **Airport Concessions Disadvantaged Business Enterprise (ACDBE)**
Airport concessions contracts administered by MDOT MAA
4. **Small Business Enterprise (SBE)**
USDOT funded projects administered by MDOT SHA, MDOT MTA, and MDOT MAA

Four Steps to Certification:

1. **Application** – applicant submits completed application and supporting documentation to OMBE
2. **Investigation** – OMBE staff reviews submitted documentation and conducts an on-site/job-site visit during which the applicant is interviewed
3. **Evaluation** – MBE Advisory Committee (MBEAC) reviews the application and documentation to evaluate whether the firm meets the MBE/DBE/ACDBE/SBE program requirements
4. **Determination** – MBEAC Chairperson issues a written determination
 - Approved*: letter is sent listing the approved NAICS codes
 - Denied*: letter is sent detailing the evidence in the record that supports each reason for the denial (firm may appeal the denial and/or reapply in 5 months after denial for MBE and 12 months for DBE)

Five Eligibility Standards:

1. **Ownership** – applicant firm must have at least 51% ownership
 - **MBE/DBE/ACDBE: 51% ownership must be by one or more socially and economically disadvantaged individual(s)**
2. **Minority Status** – members of certain groups are presumed to be socially disadvantaged: Women, African Americans, Hispanic Americans, Native Americans, Asian Americans, Subcontinent Asian Americans, Disabled Persons (MBE Program only)
 - **NOT APPLICABLE TO SBE**
3. **Control** – the minority applicant(s) must have an overall understanding of, and managerial and technical competence and experience directly related to, the type of business in which the firm is seeking certification
 - **NOT APPLICABLE TO SBE**
4. **Personal Net Worth** – each minority owner must fall below the personal net worth cap established for the State and federal programs (required of 51% ownership)
 - MBE: \$1,788,677 (adjusted annually)
 - DBE/ACDBE/SBE: \$1,320,000
5. **Size** – applicant firms must meet the small business size standards established by the U.S. Small Business Administration (SBA)
 - DBE and SBE firms ONLY: a firm's three year average gross receipts cannot exceed SBA size standard of \$26.29 million
 - ALL firms: NAICS standards are measured by a three year average of annual gross receipts or number of employees
 - **ACDBE firms: other size standards apply**

For more information about MBE/DBE/ACDBE/SBE certification, contact the OMBE at 410-865-1269 or mbe@mdot.maryland.gov

For information on MDOT's **free** monthly Application Assistance Workshop, contact the Office of Small and Minority Business Policy at mdotmbeoutreach@mdot.maryland.gov

SBE Certification

Overview

Introduction:

The Small Business Enterprise (SBE) Program is a race and gender-neutral program designed to provide contracting opportunities to small businesses on federally-aided projects with the MDOT State Highway Administration (MDOT SHA), MDOT Maryland Transit Administration (MDOT MTA), and MDOT Maryland Aviation Administration (MDOT MAA).

What are the goals of the SBE Program?

- Facilitate competition, eliminate obstacles and increase opportunities for small businesses, including DBEs, to participate as prime contractors on MDOT federally aided contracts; without competing with larger more established businesses.
- Successful bidders will gain practical experience and develop expertise that will enable them to better compete on successive projects as prime contractors and expand their business opportunities.

SBE Program Eligibility:

- The firm must be a small business as defined by the U.S. Small Business Administration (SBA) by applying current SBA business size standards that are applicable to the type of work the firm seeks to perform. Size standards are measured by a three-year average of annual gross receipts or number of employees.
- The firm's three-year average annual gross receipts cannot exceed the USDOT size standard of \$26.29 million.
- At least 51% of the firm's ownership must be held by individuals who do not exceed the personal net worth (PNW) limit cap of \$1.32 million.
- The 51% owner(s) must be a U.S. Citizen or Permanent Resident.
- The firm must be organized for profit.

All firms certified as MDOT DBE will automatically be certified as SBE. All other firms that meet the eligibility requirements must apply to MDOT's Office of Minority Business Enterprise (OMBE) for SBE status. All SBE certified firms will appear in the MDOT Online Directory.

For complete details, eligibility requirements and to obtain an SBE application contact/visit:

www.mdot.maryland.gov/certify

or contact the Office of Minority Business Enterprise at:

410-865-1269

mbe@mdot.maryland.gov



Top 10 Tips for MBE/DBE/ACDBE/SBE Applicants

1. Familiarize yourself with the certification requirements: ownership, minority status, control, small business size standards and personal net worth thresholds.
<https://www.mdot.maryland.gov/tso/pages/index.aspx?pageid=91>
2. Firms are certified by NAICS (North American Industry Classification System) Codes. Familiarize yourself with the NAICS Codes that may apply to your business.
<http://www.census.gov/naics>
3. Submit a completed application and all required supporting documents. MDOT's Office of Minority Business Enterprise (OMBE) recommends submitting the Uniform Certification Application.
<https://marylandmbe.mdbecert.com/>
 - If you are seeking SBE only certification, submit the SBE Application only.
4. Although checklists are included in the application, utilize the appropriate document checklist depending on your firm's structure. Checklists are created by the Office of Minority Business Enterprise (available online) and sort the information by creating a tab for each item on the checklist.
<https://www.mdot.maryland.gov/tso/pages/Index.aspx?PageId=107>
5. Do not leave any area of the application blank. If an area does not apply to your business, indicate "N/A" or "Does Not Apply" in the space provided and include a brief explanation along with your supporting documents.
6. Sign and notarize the Affidavit of Certification included in the application packet.
7. Copy the entire packet for your files.
8. Be responsive to requests for additional information.
9. Allow 3 to 4 months to go through the process after submitting a complete application packet along with all required supporting documentation.
10. Visit our website, contact us by email or call the office directly with any questions about the certification process, the application and/or the required supporting documents.

<https://www.mdot.maryland.gov/tso/pages/Index.aspx?PageId=90>

mbe@mdot.maryland.gov

410-865-1269



Marketing Tips

Register in eMaryland Marketplace Advantage

- This is Maryland's online procurement portal – a great resource for finding contracting opportunities. <https://procurement.maryland.gov>

Register in the Maryland Small Business Reserve (SBR) Program

- SBR gives small businesses the opportunity to bid on State contracts without competing with larger, more established firms. This is a race- and gender-neutral program and online registration is required. SBR registration is located on the eMaryland Marketplace website. <https://procurement.maryland.gov>

Identify Your Customers

- What agencies (state, county, city) buy the products/services you sell? Check their website for information about procurements with that agency.

Learn the Process

- Know your NAICS codes and learn the procurement process of each potential customer.

Attend Pre-bid Meetings

- This is where you will meet the prime contractors who are most likely to bid on the contract. Your marketing efforts should be focused on these folks.

Prepare a Capabilities Statement

- Take it everywhere you go and hand it out to everyone you meet. Be sure to include examples of previous work and contact information.

Copy Best Practices

- Talk with other MBEs who are successfully working on government contracts (inside and outside of your industry) and follow suit.

Be Patient and Persistent

- Developing new business relationships takes time. Don't give up! Be willing to start small in order to build a record of past performance that is relevant to prime contractors.

Social Media

- Social media offers an inexpensive way to connect to potential customers. Research the applications that would best fit your business and learn how to use them effectively.

Ask Why!

- If your bid does not earn you the job, ask why. This is valuable information that can help the next time around.